



Republic of the Philippines
Department of Transportation and Communications
NATIONAL TELECOMMUNICATIONS COMMISSION

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Federal Communications Commission
Office of the Secretary

Dear Chairman Powell,

I would like to express my great appreciation for a very fruitful meeting with you yesterday to discuss the way forward to resolve the issue on termination rates.

In this regard, allow me to enumerate herunder the points of agreement reached at that meeting.

We had agreed that the regulatory bodies i.e., the Philippines' National Telecommunications Commission (NTC) and the United States Federal Communications Commission (FCC) should step aside to allow our respective carriers to freely negotiate a mutually acceptable settlement of the issue.

We had also agreed that, to provide an appropriate atmosphere for these commercial negotiations to prosper, we would take the following steps forward:

1. NTC will lift its Order of March 12 to allow Philippine carriers to restore direct circuits for terminating traffic from US carriers;
2. FCC will respond by immediately lifting its March 10 Order to allow the payment of accounts in arrears and the restoration of the Philippines to the International Simple Resale (ISR) List.

I appreciated your commitment, in response to my appeal, that the FCC will explore how best to return the Philippines to the ISR List as expeditiously as possible, notwithstanding the sixty (60)-day condition in the March 12 Order.

We had expressed the confidence that the aforementioned initiatives should effectively facilitate the return of the Philippine and US carriers to the negotiating table with greater resolve in finding an amicable settlement of the termination rates issue.

I am very pleased with the outcome of our meeting, particularly your suggestion that the issue

HON. MICHAEL K. POWELL

Chairman
Federal Communications Commission
Washington D.C.

3/Floor NTC Building, BIR Building, East Triangle, Diliman, Quezon City 1101, Philippines
Tel: (632) 924-4042/ (632) 924-4048; Fax: (632) 921-7128; Email: commissioner@ntc.gov.ph

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should be settled with finality at our level. I am also encouraged by your kind offer that we explore areas of cooperation between our two agencies on other regulatory matters of mutual interest.

I look forward to the opportunity of being able to receive you in the Philippines in the very near future.

Sincerely yours,


ARMJ JANE A. BORJE
Chairman